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NSC BRIEFING

ESTIMATE OF THE WORLD SITUATION

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I. CHANGES IN THE STRATEGIC SITUATION

- A. The prospective Soviet achievement of an ICBM capability has brought into the minds of statesmen and peoples, for the first time, a general sense of US vulnerability to Soviet attack.
- B. It is now generally believed that the USSR--within the next year or two, rather than at some time in the distant future--will be able to inflict instant and crippling damage on North America. Foreign peoples and statesmen now fear that the US will become increasingly inhibited from threatening nuclear retaliation in order to deter Soviet pressure or Soviet action in matters of vital concern to them, and they fear that, even if the US did so, the Soviets would not necessarily believe it.
- C. Many leaders of the free world fear, therefore, that US nuclear power will not be effective in deterring minor thrusts and local aggressions. They believe that it is necessary to develop the means to deal with these minor thrusts by means short of a full counter-offensive.

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II. SOVIET PROGRESS AND POLICY

- A. The Soviet leaders probably look upon their present position as quite favorable. They are developing a deterrent power as effective as that which the US has possessed. They are producing more scientists than we are. Although their gross national product is only two-fifths as large as ours and per capita consumption only one-fifth as large as ours, the USSR allocates its resources in such a way that--in terms of resources available for national security policy--its aggregate effort already approaches that of the US. That is to say, the total amount it spends, when converted into dollar values, for research, defense, industrial investment, and foreign aid is almost as much as we spend for all these things put together.
- B. The Soviet leaders probably feel that they are in a stronger position than they were in the past to engage in threats or in negotiations, or alternatively to continue to win position and influence by political and economic methods. We do not believe they have decided to follow any one line to the exclusion of others.

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- C. They probably also believe that they can be somewhat bolder than the past. They probably foresee that crises will develop from time to time as a consequence of Western resistance to the expansion of Soviet influence. If this occurs, we expect the Soviets to be firm, and even occasionally bellicose.

III. THE PSYCHOLOGICAL IMPACT OF US AND SOVIET POLICIES

- A. The Communist states are gaining ground in world opinion as advocates of peace and social progress, and the US is increasingly accused of indifference to these causes. The Communists have gained more credit for advancing the causes of disarmament and nationalism. Their well-advertised economic and scientific progress has appeared to many people--especially in the underdeveloped areas--as a demonstration of the effectiveness of Communist methods.
- B. On the other hand, our shortcomings--because of our democratic society--are more obvious to the world. For example, we cannot with the same ease as our competitors hide our race problems or adjust our trade policies to our foreign policy objectives. Unfortunately, some of our most cherished traditions--our respect for the rule of law, our desire not to offend our old friends, and even our high regard for human life--are often regarded as unrealistic in

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those countries where the struggle for existence and the social tradition do not encourage such attitudes. Even those familiar with the Western tradition frequently resent the high level of American consumption and deplore what they regard as a US preoccupation with military security.

- C. Thus, despite the intellectual and realistic justification of US policy, the simple formulas proposed by the USSR--European zonal demilitarization, a ban on nuclear tests and on the use of nuclear weapons, anti-colonialism, peace, and so on--often have a greater appeal even when they are little better than slogans.

IV. THE PROBLEM OF THE UNDERDEVELOPED AREAS

- A. Most of these areas are undergoing social and economic revolutions. Many are politically unstable. All have grave economic problems. Population growth is explosive; in some cases it is growing faster than the economies are growing.
- B. Most of the leaders in the newer countries look upon the US and USSR as engaged in a power struggle that is of little direct concern to them. They think that neutralism is the safest and most profitable course for them to follow. The Soviets are playing to this belief by offering economic aid without apparent strings attached. Many of these peoples think the

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US is opposed to neutralism and is trying to recruit them into its camp.

- C. Many of the newer states are becoming increasingly susceptible to Sino-Soviet influence. It appears to us that the choice which will increasingly confront underdeveloped states in Asia and Africa will not be between East and West, but between neutralism and pre-Communism.

V. THE REDUCED FORCE OF THE POSTULATES UNDERLYING THE US ALLIANCES

- A. The fundamental desirability of maintaining alliances with the US is still generally accepted within allied countries, but the force and strength of this belief has been diminished.
- B. The possibility of Soviet military aggression is still recognized, but it seems--to the NATO powers, for example--to be much less imminent than when the alliance was formed.
- C. Additionally, there is declining confidence in the deterrent effect of US military power, which somewhat reduces the value of the US as an ally.
- D. Finally, the USSR is encouraging doubt about the necessity for maintaining two mutually-hostile power blocs through its barrage of proposals for summit talks, nuclear-free zones, etc. These various proposals have

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struck a responsive chord, even in moderate Western European opinion. Europeans feel that their only hope for survival lies in fully and patiently exploring every possible opportunity for living at peace with the USSR.

- E. The potentially disruptive forces within the Western alliance system have been stimulated by the recent changes in the world situation. There is much soul-searching in Europe about the political and military adequacy of NATO. The major European powers have asserted a more independent position. Some of them will try to develop an independent nuclear deterrent to Soviet aggression.
- F. In general, the US will encounter increasing difficulties in retaining overseas bases on terms assuring their availability and effectiveness in case of need. In particular, the US will encounter new problems in its attempts to increase allied military strength through the establishment of missile bases or the further deployment of nuclear weapons overseas.

VI. THE IMPACT OF THE US RECESSION

- A. Since the US accounts for about 40% of free world production, the economic prospects of other countries are greatly affected by the manner in which the US deals with its economic problems. If the US recession

is prolonged, some other countries will face serious economic and political problems, and they will place much of the blame upon the US.

- B. So far, they have been more worried about possible changes in US trade policy than about the now anticipated degree of recession itself.

VII. THE UNLIKELIHOOD OF GENERAL WAR, BUT THE DIFFICULTY OF KEEPING LIMITED WARS LIMITED

- A. The Soviets are likely to retain a healthy respect for US military power, and a great uncertainty about the chances of victory, even after they acquire a substantial ICBM capability. We do not believe they will deliberately initiate a general war or embark upon a course which they believe involves serious risk of general war.
- B. Nevertheless, there will be a constant jockeying for position between the US and the USSR. This will create the difficult problem of calculating the risks involved in actions--or inaction--in particular situations. We do not see any easy way to determine whether local wars will break out and whether, if they do, they can be kept limited. We are not persuaded that local wars will be kept limited simply because it would be sensible not to allow them to expand. The rapidity with which events often occur, the pressures on chiefs of government, and the great importance of time, can

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confuse and distort the intentions of the parties involved.

VIII. THE CONTINUED CHANGE FOR A FAVORABLE EVOLUTION IN THE COMMUNIST WORLD

A. We believe the trend toward greater flexibility within the bloc relations and toward greater recognition of individual differences among bloc members will continue. Within the USSR, we believe that significant changes in Soviet society are occurring. We believe that the Soviets can generally control the pace of change, and a significant weakening does not appear likely over the short term. We cannot, however, exclude the possibility that major changes in the Soviet leadership, or popular uprisings in Eastern Europe, will occur.

IX. THE OUTLOOK FOR A PROLONGED COLD WAR

A. The USSR will wage a vigorous political and economic offensive against the US on a world-wide basis. It will exploit world trouble spots, and especially the nationalistic and revolutionary emotions of the emerging peoples.

B. We think the USSR will have some success in these efforts and that this will generate increasing nervousness in the West over real or imagined losses of position.

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C. However, we do not think this trend is irreversible. Even though the Sino-Soviet bloc will become an increasingly formidable opponent, its leaders must cope with major problems in exploiting their strength. We believe the course of the East-West contest will depend more than anything else on the manner in which the West mobilizes its political, economic, and military resources.

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